GOVERNMENT OF INDIA
LABOUR AND EMPLOYMENT
LOK SABHA

UNSTARRED QUESTION NO:224
ANSWERED ON:25.07.2005
INCREASE IN RATE OF INTEREST
Badiga Shri Ramakrishna;Ponnuswamy Shri E.

Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

(a) whether the Employees Provident Fund Organisation (EPFO) has made an appeal to the Government to meet the gap of 719 crores of rupees recorded due to sudden increase in the rate of interest to 9.5 percent for the year 2004-05;

(b) if so, the details thereof;

(c) the steps being taken to resolve the issue; and

(d) the future plans of the Government in regard to rate of interests on EPF alongwith the source of funding therefor?

Answer

MINISTER OF LABOUR AND EMPLOYMENT (SHRI K. CHANDRASEKHAR RAO)

(a) to (d): The Central Board of Trustees, Employees` Provident Fund in its special meeting held on 28.05.2005 decided to recommend the final rate of interest @ 9.5% for the financial year 2004-05 to be credited to the accounts of the Employees` Provident Fund subscribers. It was also decided to transfer a sum of Rs. 716.07 crore from the Special Reserve Fund to bridge the deficit.

Further, it was resolved that in future, interest payment liability, in no case, should exceed the interest income of the Fund, during that particular year.